GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:3090
ANSWERED ON:05.12.2016
Auction of Discovered Small Fields
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government has offered/ proposes to offer 67 oil and gas and discovered small and marginal fields for auction through international bidding;
(b) if so, the details thereof along with the number of domestic/foreign companies participated in the said auction, company-wise including ONGC and Oil India Limited;
(c) whether any reserve price has been fixed by the Government for each of the oil and gas blocks and if so, the details thereof along with number of such blocks awarded to Indian/foreign companies and the time by which the production from such oil/gas fields is likely to be started, company/ field-wise;
(d) whether there is a strong protest in some States against the decision of the Government to auction the said oil and gas fields and if so, the corrective steps taken in this regard;
(e) Whether the Government has announced new Hydrocarbon Exploration and Licensing Policy (HELP) and changed the revenue sharing model with the private/ foreign players and if so, the details thereof along with salient features of the new policy announced by the Government; and
(f) whether any study has been carried out to ascertain the revenue likely to be generated as a result of change in revenue sharing model and if so, the details thereof?

Answer

MINISTER OF STATE (I/C) IN THE MINISTRY OF PETROLEUM & NATURAL GAS
(SHRI DHARMENDRA PRADHAN)
(a) & (b) To augment domestic production of Crude Oil and Natural Gas, the Government of India has announced the offer of forty six (46) Contract Areas comprising sixty seven (67) Oil and Gas fields, under the Discovered Small Field Policy (DSFP) through International Competitive Bidding (ICB).
Directorate General of Hydrocarbons (DGH) received 134 e-Bids for the 34 contract areas under the Discovered Small Fields (DSF) Bid Round 2016 by the deadline of 1200 Hours on 21st November 2016.A total of 47 companies (Individually or as member of the bidding consortium) have participated in the bid round. Out of these, 06 are PSUs/Subsidiaries, 05 are foreign companies and 36 are domestic companies.
(c) The Government has not fixed any reserve price. However, companies on their own have to give Minimum Work Programme which would need to be adhered to.
(d) : Public Interest Litigation (PIL) No. 54 of 2016 was filed in the High Court of Guwahati against auctioning of 12 Oil fields in Assam. This PIL was dismissed by High Court of Guwahati. To address the misunderstanding amongst certain section of public about the decision of auctioning oil and gas field under DSFP, a half-page advertisement was brought out in twelve regional newspapers of Assam on 18th July, 2016.
(e)& (f): In order to attract more investment in E&P sector, Government has approved the Hydrocarbon Exploration and Licensing Policy (HELP).
The salient features of HELP are:-
i. Single license for exploration and production of all forms of hydrocarbon.
ii. An open acreage policy.
iii. Easy to administer revenue sharing model
iv. Marketing and pricing freedom for the crude oil and natural gas.
v. Reduce royalty rates for offshore areas.
After extensive deliberations, Government has decided to have Revenue Sharing Model to obviate the shortcomings under Production Sharing Contract regime such as issues related to cost recovery, investment multiples, micromanagement by the Management Committee etc.
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